

Property Management Essentials:

Fair Housing



ECHO SUMMIT
PROPERTY MANAGEMENT

Fair Housing is quite an extensive topic in real estate and, specifically, in property management. It's a closely monitored by the U.S. Department of Housing and Urban Development (HUD) and has huge legal ramifications if not followed correctly. The Fair Housing Act prohibits housing discrimination on the basis of race, color, religion, sex, disability, familial status, and national origin. Its coverage includes private housing, housing that receives Federal financial assistance, and State and local government housing. It is unlawful to discriminate in any aspect of selling or renting housing or to deny a dwelling to a buyer or renter because of the disability of that individual, an individual associated with the buyer or renter, or an individual who intends to live in the residence. In the state of Colorado two additional protected classes have been added: marital status and sexual orientation.

Key Topics

- *Who are the protected classes?*
- *Steering*
- *Blockbusting*
- *Redlining*



In the area of property management Fair Housing applies directly to applications. Rental applications must be processed in the order from which they were received. The published criteria could include such things as credit scores, the occupancy of the house, the income requirements, etc. It's important to always apply the same criteria to each applicant and application equally and fairly.

Some examples of a property management company being out of compliance to be: by refusing to rent a house, refusing to negotiate, saying certain properties are unavailable, setting different rental terms, conditions, or privileges, providing different services for different people or different groups. Also, be sure that the company website and all its content available to everyone.

There are three things that Fair Housing also monitors that property managers must make sure not to do:

- 1) **Steering:** in which a property manager might guide prospective home buyers towards or away from certain neighborhoods based on their race. It is ok to suggest a different property based on price range or bedroom/bathroom configuration based on what the tenant has disclosed.
- 2) **Blockbusting:** this is the illegal and discriminatory practice of helping ethnic or minority individuals into predominantly non-ethnic or minority-dominated areas, and then using scare tactics to force current neighborhood residents to sell or rent their homes at depressed prices. The property manager's only role is to ensure that the house meets the tenant's criteria and that they like and would feel comfortable occupying.

- 3) **Redlining:** refers to being denied or subjected to stricter or more expensive rental terms or conduct special marketing to certain groups in a particular area because of the racial composition of the area or applicant. All rental terms and properties must be available to all groups regardless of race, color or creed.

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